

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
BREATHITT COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2004
Through June 30, 2005**



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AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

Robbie Rudolph, Secretary, Finance and Administration Cabinet
The Honorable Ervine Allen, Jr.
Breathitt County Property Valuation Administrator
Jackson, Kentucky 41339

We have performed the procedures enumerated below, which were agreed to by the Breathitt County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for period July 1, 2004 through June 30, 2005. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Breathitt County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA had a receipts ledger, a disbursements ledger, and reconciled bank records to books each month. . Re-perform the year-end bank reconciliation (June 30, 2005), to determine if amounts are accurate.

Finding -

The PVA had a receipts and disbursements ledger book. However, this book did not segregate and accumulate receipts and disbursements into account codes. The PVA did reconcile bank records to books each month.

PVA's Response -

None.



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(Continued)

2. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Recorded city receipts agreed to amounts confirmed from the city government. The listing of city receipts appeared complete.

PVA's Response -

None.

3. Procedure -

Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The budgeted statutory contribution by the fiscal court agreed to the legally required amount calculated by the Department of Revenue. All fiscal court payments traced to the PVA's local bank account.

PVA's Response -

None.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure was for official business. Review all credit card statements (if any) to determine if expenditures were for official business.

Finding -

Selected disbursements agreed to cancelled checks and supporting documentation and were for official business. The PVA did not use a credit card to make purchases.

PVA's Response -

None.

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5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

The PVA did not make any capital outlay disbursements during fiscal year ended June 30, 2005.

PVA's Response -

None.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

The PVA did not have any vehicle lease or service contracts during fiscal year ended June 30, 2005.

PVA's Response -

None.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

The PVA's total expenditures were within his total budget. However, since the PVA's ledgers did not segregate and accumulate disbursements into account codes, we were unable to determine whether or not the PVA had overspent his budget for individual account codes.

PVA's Response -

None.

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(Continued)

8. Procedure -

Determine whether collateral was necessary for the PVA's funds. If necessary determine if the PVA was sufficiently collateralized for the year and if a collateral agreement exists.

Finding -

The PVA's funds did not exceed Federal Deposit Insurance Coverage, so that no collateral agreement was necessary.

PVA's Response -

None.

9. Procedure -

Determine whether timesheets were completed, maintained, and supported hours worked.

Finding -

During our agreed-upon procedures engagement, we determined the employees of the PVA Office did not prepare, sign, or submit timesheets. We recommend the PVA require all employees to maintain timesheets. These timesheets should be prepared and signed by the employee and reviewed, approved, and signed by their supervisor before being submitted for payroll processing.

PVA's Response -

None.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Crit Luallen
Auditor of Public Accounts

